

**SUPPORTING STATEMENT FOR PAPERWORK REDUCTION ACT SUBMISSION  
FOR 43 CFR 3106, 3135, and 3216 FOR USE OF FORM 3000-3, ASSIGNMENT OF  
RECORD TITLE INTEREST IN A LEASE FOR OIL AND GAS AND GEOTHERMAL  
RESOURCES AND FORM 3000-3a, TRANSFER OF OPERATING RIGHT  
(SUBLEASE) IN A LEASE FOR OIL AND GAS AND GEOTHERMAL RESOURCES,  
OMB CONTROL NUMBER 1004-0034  
Previous Terms of Clearance: None**

**Justification**

**1. Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection. Attach a copy of the appropriate section of each statute and regulation mandating or authorizing the collection of information.**

The Bureau of Land Management (BLM) has the following authorities to collect the required information from lessees who wish to assign record title interest and transfer operating rights (sublease) in an oil and gas or geothermal resources lease:

The Mineral Leasing Act of 1920 (30 U.S.C. 181 *et seq.*) and the Geothermal Steam Act of 1970 (30 U.S.C. 1001-1025) authorize the Secretary of the Interior to issue leases for development of Federal oil and gas and geothermal resources;

The Act of August 7, 1947 (Mineral Leasing Act of Acquired Lands) (30 U.S.C. 341-359) authorizes the Secretary to lease lands acquired by the United States;

The Department of the Interior Appropriations Act of 1981 (42 U.S.C. 6506a) provides for the competitive leasing of lands for oil and gas in the National Petroleum Reserve-Alaska;

The Attorney General's Opinion of April 2, 1941 (40 Op. Atty. Gen. 41) provides the basis under which the Secretary can issue certain leases for lands being drained of oil and gas;

The Federal Property and Administrative Services Act of 1949 (40 U.S.C. 101 *et seq.*) provides the authority for leasing lands acquired from the General Services Administration; and

The regulations at 43 CFR 3106, 3135, and 3216 outline the procedures for the BLM to assign record title interest and transfer operating rights in a lease to explore for, develop, and produce oil and gas resources and geothermal resources. The BLM uses the forms to collect information in managing oil and gas or geothermal lease assignments or transfers in leases. These two lease interests are:

- Record title, which is the primary ownership of an interest in an oil and gas lease that

includes the obligation to pay rent, and the rights to assign and relinquish the lease. Operating rights are severable from record title; and

- Operating rights (or working interest), which is the interest or contractual obligation created out of a lease, such as a sublease, authorizing the holder of that right to enter the leased lands to conduct drilling and related operations, including production, which may include as consideration a share in revenues resulting from the lease.

The BLM considers the record title holder as the ultimate responsible party on the lease, and operating rights as subordinate to record title.

**2. Explain how, by whom, how frequently, and for what purpose the information is used. Except for a new collection, indicate the actual use the agency has made of the information received from the current collection. [Be specific. If this collection is a form or a questionnaire, every question needs to be justified.]**

We require an applicant to provide information for the BLM to process assignments of record title interest or transfers of operating rights (sublease) in a lease for oil and gas or geothermal resources. Each assignment or transfer is a contract between the assignor and assignee and the transferor and transferee but, by law, must be approved by the Secretary. The BLM uses the two forms to establish a uniform method to comply with the law by which case files and lease activities are maintained.

BLM uses the requested information (name, address, lease serial number, percent of interest, and land description) to communicate with the assignee/transferee; to determine whether the assignee/transferee is qualified to hold a lease under the terms of the Mineral Leasing Act of 1920, the Geothermal Steam Act of 1970, or the regulations at 43 CFR 3106, 3135, or 3216; to record ownership of interest in Federal leases; to enable accurate rental billing of leaseholders; and to verify location of the lands. The assignor/transferor is not required to complete the boxes for "lease effective date" or "new serial number." BLM supplies this information so that the assignee/transferee is aware of the new lease serial number and the anniversary date of the lease for rental payment purposes. Boxes are checked to determine whether the interest conveyed is for an oil and gas or geothermal assignment of record title, operating rights, or overriding royalty transfers. Under the regulations at 43 CFR 3106.4-2, we do not require use of these forms for transfers of royalty interests or payments out of production if such transfers are created or reserved independently of a transfer of record title or of operating rights. However, space is provided for that purpose as a convenience to the transferor.

When a lessee submits an assignment or transfer, BLM records this information because it is material to the Federal mineral leasing program to prevent unlawful extraction of mineral resources, ensure prompt payment of rentals and royalties for the rights obtained under a Federal lease, and ensure that leases are not encumbered with agreements that cause the minerals to be uneconomical to produce, resulting in lost revenues to the Federal Government.

We require the applicant to submit the following information on Forms 3000-3 and 3000-3a:

Lease Serial Number: We use this information to determine the lease upon which an assignment/transfer for all or part of a record title interest, operating rights, or overriding royalty, or similar interest in a lease to another party will be made.

Lease Effective Date: We need this information to determine if the lease is still in effect.

New Serial Number: We will provide a new serial number and segregate into two separate leases if the assignee conveys 100 percent record title interest of a portion of the lease to another party.

Assignee/transferee Name and Address: We need this information to identify ownership of the interest assigned/transferred and the qualifications of the transferee/assignee to take interest. The information is necessary to ensure that the assignee/transferee qualifies to obtain interest in an oil and gas or geothermal lease and that the transfer will not result in holdings in violation of statutory acreage limits.

This assignment conveys the following interest: We need the legal land description and the percent of interest owned, conveyed, and retained to determine the record title interest, operating rights, or overriding royalty, or similar interest in a lease transferred or assigned to another party.

**3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological techniques or other forms of information technology (e.g., permitting electronic submission of responses), and the basis for the decision for adopting this means of collection. Also describe any consideration of using information technology to reduce burden [and specifically how this collection meets GPEA requirements].**

The two forms are electronically available to the public in fillable .PDF format on BLM's Forms website <https://www.blm.gov/FormsCentral/show-home.do> Use of the electronic format reduces the user's time for completing the form.

Under the requirements of the Government Paperwork Elimination Act, BLM expects to collect 25% of these forms electronically over this approval period.

**4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in Item 2 above.**

No duplication of information occurs on the information we collect. The requested information is nonrecurring, occasional, and unique to each applicant/operator and to each specific assignment or transfer and is not available from any other data source. No similar information is available or able to be modified. Respondents are individuals who lease Federal lands for purposes of producing or exploring for oil and gas or geothermal resources. Information is kept chronologically in case files and reviewed carefully. The information is required to receive a benefit. Each BLM State Office has jurisdiction over specific lands so that no duplication occurs with respect to issuing leases, assignments, and transfers.

**5. If the collection of information impacts small businesses or other small entities (Item 5 of OMB Form 83-I) describe any methods used to minimize burden.**

There is not a significant impact on small businesses or other small entities from the information we request on these forms. The required information is the minimum necessary to allow BLM to approve assignment and transfer applications. We request only essential information to identify the assignor and assignee or the transferor and transferee, the lands affected, and the interests being assigned or transferred. For example, the legal land description is not necessary if 100 percent interest of the entire lease is conveyed.

**6. Describe the consequence to the Federal program or policy activities if the collection is not conducted or is conducted less frequently, as well as any technical or legal obstacles to reducing the burden.**

If BLM fails to collect this information, BLM and the public would be in violation of the law because filing assignments and transfers to the BLM for processing is required under the provisions of the Mineral Leasing Act. The documents are necessary to preserve the assignee/transferee's rights to an interest in a lease. The applicant initiates the frequency of when to submit an assignment or transfer to BLM to process.

**7. Explain any special circumstances that would cause an information collection to be conducted in a manner:**

- \* **requiring respondents to report information to the agency more often than quarterly;**
- \* **requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;**
- \* **requiring respondents to submit more than an original and two copies of any document;**
- \* **requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records, for more than three years;**
- \* **in connection with a statistical survey, that is not designed to produce valid and reliable results that can be generalized to the universe of study;**
- \* **requiring the use of a statistical data classification that has not been reviewed and approved by OMB;**
- \* **that includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use; or**
- \* **requiring respondents to submit proprietary trade secrets, or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.**

There are no special circumstances that require the collection to be conducted in a manner inconsistent with the guidelines in 5 CFR 1320.5.

**8. If applicable, provide a copy and identify the date and page number of publication in**

**the Federal Register of the agency's notice, required by 5 CFR 1320.8(d), soliciting comments on the information collection prior to submission to OMB. Summarize public comments received in response to that notice [and in response to the PRA statement associated with the collection over the past three years] and describe actions taken by the agency in response to these comments. Specifically address comments received on cost and hour burden.**

**Describe efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping, disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed, or reported. [Please list the names, titles, addresses, and phone numbers of persons contacted.]**

**Consultation with representatives of those from whom information is to be obtained or those who must compile records should occur at least once every 3 years — even if the collection of information activity is the same as in prior periods. There may be circumstances that may preclude consultation in a specific situation. These circumstances should be explained.**

The required 60-day notice was published in the *Federal Register* on November 20, 2008 (73 FR 70362), and the comment period closed on January 20, 2009. The BLM did not receive any comments.

We consulted with the following respondents to solicit comments on the burden hour and cost estimates, frequency of collection, clarity of instructions, reporting format and data elements. The burden estimates in Item 12 reflect the responses. In addition, there is field office interaction on a regular basis with a lessee/operator when a form is processed to determine if there are complaints, difficulties, or problems encountered by respondents in providing and completing required information. No difficulties were reported.

Barry Osborn  
EnCana Oil & Gas (USA) Inc.  
370 17<sup>th</sup> St., Suite 1700  
Denver CO 80202  
303-623-2300

Deb Ash  
L&R Drilling Company, Inc.  
HCR 82, Box C-15  
Belle Creek, MT 59317  
406-427-5244

Owen Stone  
Stone & Wolf LLC  
23 East Brundage, Suite 1  
Sheridan, WY 82801

307-672-5603

Diana Boland  
Cedar Ridge LLC  
484 Turner Dr., Bldg B  
Durango, CO 81302  
970-382-5990

**9. Explain any decision to provide any payment or gift to respondents, other than remuneration of contractors and grantees.**

We do not provide payments or gifts to the respondents.

**10. Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulation, or agency policy.**

We protect the respondent's confidentiality to the extent consistent with the Freedom of Information Act (5 U.S.C. 552).

**11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, or other matters that are commonly considered private. The justification should include the reasons why the agency considers the questions necessary, the specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.**

We do ask respondents questions of a sensitive nature.

**12. Provide estimates of the hour burden of the collection of information. The statement should:**

**Indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated. Unless directed to do so, agencies should not conduct special surveys to obtain information on which to base hour burden estimates. Consultation with a sample (fewer than 10) of potential respondents is desirable. If the hour burden on respondents is expected to vary widely because of differences in activity, size, or complexity, show the range of estimated hour burden, and explain the reasons for the variance. Generally, estimates should not include burden hours for customary and usual business practices.**

**If this request for approval covers more than one form, provide separate hour burden estimates for each form and aggregate the hour burdens in Item 13 of OMB Form 83-I.**

**Provide estimates of annualized cost to respondents for the hour burdens for collections of information, identifying and using appropriate wage rate categories. The cost of contracting out or paying outside parties for information collection activities should not be included here. Instead, this cost should be included in Item 14.**

These estimates are based on past and current experience with these forms and the respondents themselves. Respondents preparing these forms are generally businesses.

We estimate an average time of 30 minutes each to complete Form 3000-3 and Form 3000-3a. The information we require is clearly outlined on the form.

We estimate approximately 39,900 Assignments of Record Title Interest and 19,900 Transfers of Operating Rights for oil and gas leases; and 100 Assignments of Record Title Interest and 100 Transfers of Operating Rights for geothermal leases. Respondents vary from individuals and small businesses to major corporations.

The burden estimates for each form are listed as follows for oil and gas and geothermal:

43 CFR	Form (oil and gas)	Number of responses	Hours per response	Total hours
3106.4-1	3000-3	39,900	30 minutes	19,950
3106.4-1	3000-3a	19,900	30 minutes	9,950
		Total 59,800		Total 29,900

43 CFR	Form (geothermal)	Number of responses	Hours per response	Total hours
3216.14	3000-3	100	30 minutes	50
3216.14	3000-3a	100	30 minutes	50
		Total 200		Total 100

The table

below provides a summary of the estimates of hour and cost burdens. The respondents are business entities.

The estimated time includes that necessary to comply with all information collection requirements in the regulations. We based the calculation of the burden cost on an hourly salary of \$35.32 for full-time, private-industry “management, professional, and related” workers, multiplied by a factor of 1.4 to account for benefits. The hourly salary is shown on page 21, Table 11 of Bureau of Labor Statistics News Release USDL: 09-0247 (“Employer Costs for Employee Compensation – December 2008”(dated March 12, 2009), at <http://www.bls.gov/news.release/pdf/ecec.pdf>.

The multiplier is based on data on page 4, Chart A of the News Release cited above.

The costs to respondents are for time spent compiling data, researching information, and completing the forms. There are no capital or startup costs involved because the information requested is maintained by the operators for their own use, for example, financial planning purposes and calculation of cost codes. The lessee/operator completes the forms from data

already on hand.

Form	Information Collection (43 CFR)	Hours Per Response	Number of Responses	Total Burden Hours	Hourly Mean Wage Plus x 1.4 (Benefits)*	Total Annual Burden Costs
3000-3 (oil and gas)	3106.4-1	30 minutes	39,900	19,950	\$49.45	\$ 986,727
3000-3 (geothermal)	3216.14	30 minutes	100	50	\$49.45	\$ 2,473
3000-3a (oil and gas)	3106.4-1	30 minutes	19,900	9,950	\$49.45	\$ 492,127
3003-3a (geothermal)	3216.14	30 minutes	100	50	\$49.45	\$ 2,473
	<b>TOTALS</b>		<b>60,000</b>	<b>30,000</b>		<b>\$1,483,800</b>

\*The hourly mean wage is based on data for full-time, private-industry “management, professional, and related” workers on page 21, Table 11 of Bureau of Labor Statistics News Release USDL: 09-0247 (“Employer Costs for Employee Compensation – December 2008”(dated March 12, 2009), at <http://www.bls.gov/news.release/pdf/ecec.pdf>. The multiplier is based on data on page 4, Chart A of the News Release cited above.

**13. Provide an estimate of the total annual [non-hour] cost burden to respondents or recordkeepers resulting from the collection of information. (Do not include the cost of any hour burden shown in Items 12 and 14).**

Respondents are not required to purchase additional computer hardware or software to comply with these information requirements. However, each form must be accompanied by a filing fee of \$25 for oil and gas and \$50 for geothermal.

- Average number of responses received annually
 

59,800 (oil and gas)
<u>200 (geothermal)</u>
60,000 total
  
- Filing fee cost per form
 

\$25/\$50
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- Total annual filing fee cost for collection
 

\$1,495,000 (oil and gas)
<u>\$ 10,000 (geothermal)</u>
\$1,505,000 total

**14. Provide estimates of annualized cost to the Federal Government. Also, provide a**



**description of the method used to estimate cost, which should include quantification of hours, operational expenses (such as equipment, overhead, printing, and support staff), and any other expense that would not have been incurred without this collection of information. Agencies also may aggregate cost estimates from Items 12, 13, and 14 in a single table.**

The cost to the Federal Government to process the applications for this collection includes:

In general, two employees process Assignments and Transfers. A single Land Law Examiner is dedicated to Assignments and Transfers and therefore spends approximately 100 percent of its 2,080 annual duty hours processing information from respondents (2000 hours for purposes of this information collection) which includes researching the lease and lessee, the land description, and bonding requirement, and updating the LR2000 data base system; a Supervisor executes the forms (we estimate 5 percent of annual time).

We estimate the total annual cost to the Federal Government to process the responses for this information collection is \$64,139 based on the salary/benefit amounts shown below:

Position	Grade	Hourly pay rate*	Hourly rate including benefits (1.5 x hourly rate)*	Number of hours worked	Cost per year
Supervisor	GS-13, Step 1	\$33.84	\$50.76	104	\$5,279
Land Law Examiner	GS-9, Step 1	\$19.62	\$29.43	2000	\$58,860
<b>Total</b>					\$64,139

\*Hourly pay rate based on the Office of Personnel Management 2009 General Schedule (Base) Salary Table, effective January 2009. Multiplier based on Bureau of Labor Statistics news release USDL: 07-1883 of December 11, 2007.

**15. Explain the reasons for any program changes or adjustments reported in Items 13 or 14 of the OMB Form 83-I.**

Item 13, OMB 83-I (Annual record keeping and reporting burden): The total numbers remain the same as the previously approved collection.

Item 14, OMB 83-I (Annual reporting and record keeping cost burden (in thousands of dollars): The total numbers remain the same as the previously approved collection.

**16. For collections of information whose results will be published, outline plans for tabulation and publication. Address any complex analytical techniques that will be used. Provide the time schedule for the entire project, including beginning and ending dates of**

**the collection of information, completion of report, publication dates, and other actions.**

The data we collect as a result of this information collection will not be published for statistical use.

**17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.**

BLM will display the expiration date of the OMB approval.

**18. Explain each exception to the certification statement identified in Item 19, "Certification for Paperwork Reduction Act Submissions," of OMB Form 83-I.**

There are no exceptions to the certification statement.